



STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
450 N STREET, MIC: 64, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064
TELEPHONE (916) 445-4982
FAX (916) 323-8765
www.boe.ca.gov

August 23, 2002

JOHAN KLEHS
First District, Hayward

DEAN ANDAL
Second District, Stockton

CLAUDE PARRISH
Third District, Torrance

JOHN CHIANG
Fourth District, Los Angeles

KATHLEEN CONNELL
State Controller, Sacramento

JAMES E. SPEED
Executive Director

No. 2002/047

TO COUNTY ASSESSORS AND INTERESTED PARTIES:

ASSESSORS' HANDBOOK SECTION 267,
WELFARE, CHURCH, AND RELIGIOUS EXEMPTIONS

Enclosed are copies of the Assessors' Handbook Section 267, *Welfare, Church, and Religious Exemptions* (AH 267). The Assessors' Handbook is published by the Board as a means of promoting property tax assessment uniformity throughout the state. This Assessors' Handbook section was updated to reflect recent statutory changes subsequent to the adoption of the August 2000 update of the AH 267.

Noteworthy changes to this handbook section have been made to reflect the following:

- Revised and rearranged portions of the section on Housing for Lower Income Households to incorporate legislative changes to section 214(g)(1) and (g)(2), to provide additional guidelines, and to improve clarity.
- Revised wording to clarify the meaning of the phrase, "delays in construction."
- Revised wording to clarify that unrelated business taxable income must be considered only if the property has been found eligible for the welfare exemption.
- Revised wording to clarify the filing requirements for claiming the welfare exemption for properties of qualified nonprofit organizations used for employee housing under Rule 137.
- Revised wording to emphasize the times by which exemption claim forms are to be forwarded by the county assessor to the Board.
- Added appendix containing examples of documents that meet the requirements of section 214 (g) for an *Other Legal Document* and a *Statement by Chief Executive Officer*.
- Added language to clarify when a Chamber of Commerce or similar organization may qualify for the welfare exemption.
- Added section to provide guidance regarding the exempt status of properties owned by federal instrumentalities.
- Added section to clarify the requirements for a museum gift shop to qualify for the welfare exemption.

The handbook section has been posted to the Board's Web site at www.boe.ca.gov, and can be accessed by first selecting "Property Taxes" and then selecting "Assessors' Handbook." Copies are also available on disk upon request to the Policy, Planning, and Standards Division at (916) 445-4982.

Board staff wishes to express their appreciation to all parties who participated in updating this handbook section. Those efforts contributed greatly to the success of this project.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG:gf
Enclosures